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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

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### Division of Oil, Gas and Mining

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Division Director

June 16, 2014

Laura Nelson  
Utah Alunite Corporation  
170 South Main, Suite 500  
Salt Lake City, Utah 84101

Subject: Modifications to Third Review of Notice of Intention to Commence Large Mining Operations, Utah Alunite Corporation, Blawn Mountain Project, M/001/0082, Beaver County, Utah

Dear Ms. Nelson:

Thank you for meeting with Dana Dean and me this morning to discuss the Division's third review of the Blawn Mountain Notice of Intention to Commence Large Mining Operations (NOI). This letter is to clarify and record our discussions. Some of the comments are already addressed, some are correct but do not need to be addressed, some need clarification, and Utah Alunite (UAC) will respond to others.

Though I have tried to accurately portray our discussions, please let me know if the comments listed below are unclear or if you feel they are incorrect or misleading.

Comment Number	Discussion
1	This document is in the Division's file, and the Division's decision about permitting and bonding wells is based partly on the e mail from SITLA. No further response is required.
2	No response was required.
3	The surety calculations will represent the current reclamation plan.
4	The contours will not be added. Future maps will show more details of facilities, roads, and drainage control features.
5	The guard shack is already shown on the map though the exact location may change as plans are further developed.





Modifications to Third Review

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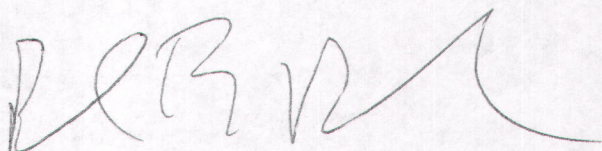
6	This issue is discussed in the text, and no additional response is needed.
7	The comment in the NOI refers to the offsite wells and treatment area, so additional discussion is not needed.
8	Details of the roads and other facilities will be included later.
9	The treatment referred to in this comments is shown on Figure 8, so no response is required.
10	It was agreed it is difficult to see precise details on this map, but other maps, especially the cross sections, show the detail needed.
11	The boundaries are not shown on Figures 8 and 13 but <i>are</i> shown on other maps. Though it would be preferable to also have them on Figures 8 and 13, it is not essential.
12	There are some questions about what roads are referred to, and the Division will clarify this comment.
13	The cross section doesn't go through the portion of the pit with the maximum depth, so the text and cross section are not inconsistent.
14	Though UAC had originally agreed to address this comment, it was decided the plan already contains text qualifying the applicability of the Hycroft HCT results.
15	After further examination of the rules, the Division determined a variance was not needed.
16	UAC will address this comment.
17	UAC will address this comment.
18	UAC will address this comment.
19	See response to comment 15. The operator will be responsible for meeting revegetation requirements.
20	UAC believes this comment is addressed elsewhere in the NOI but will confirm whether this is the case.
21	UAC has already provided information addressing this comment informally, but it will be included in the next formal submittal.



22	UAC will report ranges.
23	The sentence will be revised and completed.
24	UAC will simply state the pH range.
25	The decision from the Division of Water Rights will be included as an appendix.
26	This document is in the Division's records and will not be included in the NOI. UAC does not need to take additional action.
27	See comment 15.
28	Burial of foundations is in Section 110.3 of the NOI. The Division will clarify the second portion of this comment and whether the comment refers to mileage as it appears.
29	The Division will re-evaluate this comment and also look at costs to rinse the containers.
30	There would be little or no concurrent reclamation during the first five years of operation, so the surety does not reflect reclamation.

Please contact me at 801-538-5261 if you have questions regarding the comments.

Sincerely,



Paul B. Baker  
Minerals Program Manager